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MANUFACTURERS HANOVER

Financial Digest

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Analysis of Business Trends Plus Selected Financial Indicators

Manufacturers Hanover Economics Department 17/270

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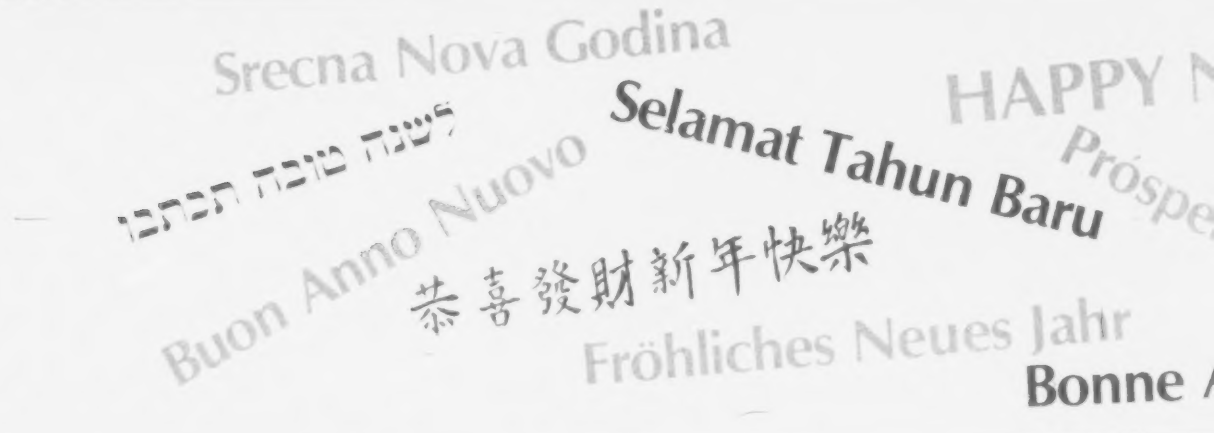

Short Term Paper Outstanding
(Millions of Dollars)

Time Deposits of $100,000 or more Weekly Reporting Banks	Latest Week	Change Since Week Ago	Change Since Year Ago
Nationwide (12/2/87)	171,118	– 1,748	+ 18,119
New York City (12/9/87)	37,761	– 15	+ 3,532
Commercial Paper (12/9/87)	355,948	+ 1,849	+ 30,960

Bank Loans
(Millions of Dollars)

Commercial and Industrial Loans

Weekly Reporting Large Commercial Banks	Latest Week	Change Since Week Ago	Change Since Year Ago
Nationwide (12/2/87)	276,647	+ 1,066	+ 7,754
New York City (12/9/87)	57,344	– 118	– 4,420

Total Loans and Leases Gross Adjusted

	Latest Week	Change Since Week Ago	Change Since Year Ago
Nationwide (12/2/87)	805,667	+ 2,640	+37,007
New York City (12/9/87)	171,539	– 1,432	+ 2,750

Financial Markets

	Friday 12/18/87	Change Since Week Ago	Change Since Year Ago
U.S. Governments, Closing Yields:			
90-Day Bills†	6.35%	+ .01	+ .32
180-Day Bills†	6.70	– .09	+ .89
Longest Bills†	7.16	– .09	+ 1.20
Recent Issues:			
7¾ s 11/30/89	7.78	– .20	
8½ s 9/30/91	8.25	– .24	
8¾ s 11/15/97	8.90	– .30	
8¾ s 8/15/17	8.91	– .45	
Municipals:			
Bond Buyer 20 Bond Index*	8.01	– .08	+ .66
12/17/87			
Blue List Total ($ Millions)	31,111	$ – 72	31,666
30-Day Visible Supply	1,000		1,000
(3 Weeks)	3,000		3,000
	5,000		5,000
Corporates:			
Moody's (Aaa) Average	9.26%	– .01	+ .66
(Baa) Average	10.39%	– .01	+ .66
Recent Issues	9.50%	– .01	+ .66
Stocks:			
Dow Jones Averages:			
30 Industrials	2,000.00	+ 10.00	+ 300.00
20 Transportation	1,000.00	+ 10.00	+ 200.00
15 Utilities	200.00	+ 10.00	+ 100.00
65 Composite	1,000.00	+ 10.00	+ 200.00
N.Y.S.E. Composite Index	200.00	+ 10.00	+ 100.00
N.Y.S.E. Avg. Daily Vol. (000's)	100,000	+ 10,000	+ 50,000
for Week (000's)	500,000	+ 50,000	+ 250,000

*34% Tax-Exempt equivalent of 12.14%

International Rates

EURODOLLAR DEPOSIT RATES (bid)	Friday 12/18/87	Week Ago
Overnight	6.44%	6.56%
1 month	6.19	6.88
3 month	6.94	6.13
6 month	6.94	6.13
1 year	6.13	6.31
EURODOLLAR BONDS Average Yield		
Medium Term (5 yrs.)	9.15	9.18
Long Term (10 yrs.)	10.12	10.12

FOREIGN EXCHANGE SPOT RATES New York Opening (12/18/87)	Currency Per U.S. $	Week Ago
Canada	1.3444	1.3444
France	5.4800	5.4800
Germany	1.6355	1.6355
Italy	1,290.00	1,290.00
Japan	129.80	129.80
Mexico	1,500.00	1,500.00
Switzerland	1.5000	1.5000
U.K.	1.6550	1.6550

*U.S. dollar in U.K. terms

MH TRADE WEIGHTED DOLLAR (12/18/87)	Change Since Week Ago	Change Since 2/27/85
	+0.5%	-0.8%

(Adjusted for Inflation)

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Selected Federal Reserve Data

(Averages of Daily Figures—Billions of Dollars)

	Week Ending 12/16/87	$ Change Since Week Ago	$ Change Since Year Ago
Reserve Bank Credit			
U.S. Gov'ts and Agencies Owned Outright & RPs	226.564	— .793	+19.940
Loans to Depository Inst.	.875	+ .121	+ .231
Float	1.992	+ 1.030	+ .898
Total Reserve Bank Credit	245.108	+ .263	+20.632
Treasury Deposits with Federal Reserve Banks	4.817	+ 1.025	+ 1.293
Currency in Circulation	226.447	+ .729	+18.095
Gov'ts held for Foreign Acct. by F.R. Banks (End-of-Week)	198.508	+ 3.471	+33.744
	12/16/87		
Member Bank Reserves			
Total Reserves Held	58.986	+ 1.069	+ 3.061
Excess (Deficiency)	1.192	— .035	+ .452
Net Free Reserves	1.030	+ .021	+ .494

Monetary Aggregates †		% Change Since 3 Months Ago*	% Change Since Year Ago
M1 (12/7/87)	754.4	+ 2.6‡	+ 5.4‡
M2 (November '87)	2,892.0	+ 4.1	+ 4.2
M3 (November '87)	3,657.5	+ 6.0	+ 5.6
Domestic Nonfinancial Debt (3rd Q'87)†	8,139.1	+ 7.6	+ 10.0

*Seasonally adjusted.

*Seasonally adjusted annual rate.
‡Four-week moving average.

New York Money Market

Offering Rates 12/18/87	3 Months	6 Months	1 Year
‡U.S. Treasury Bills	5.94%	6.40%	6.71%
* Federal Agencies	7.20	7.30	7.30
* Municipal Notes—High Grade (34% Taxable Equivalent)	7.95	8.48	8.71
Negotiable Time CDs Manufacturers Hanover	Rates By Arrangement		
* Secondary Market—Prime	7.80	7.80	7.95

‡Finance Company Paper—Prime		‡* Bankers' Acceptances	
5- 14 days	6.50%	Jan.	8.00%
15- 29 days	8.05	Feb.	7.65
30- 59 days	7.90	Mar.	7.55
60- 89 days	7.40	Apr.	7.50
90-179 days	7.40	May	7.45
180-239 days	7.25	Jun.	7.38
240-270 days	7.25		

‡Industrial Paper—Prime			
30- 89 days	8.00%	†Federal Funds Effective Rate	6.70%
90-120 days	7.80		

‡Discount basis. *Subject to availability. †Estimates.

Selected Business Indicators

(All Dollar Figures in Billions)

	Latest Period or End of Period	Previous Period	Year Ago Period
Gross National Product (Current Dollars)*	3rd Q'87	$ 4,524	$ 4,448	$ 4,266
Gross National Product (1982 Dollars)*	3rd Q'87	$ 3,636	$ 3,705	$ 3,718
Percent Change, Annual Rate	3rd Q'87	4.3†	2.5	1.4
Change in Consumer Prices*	Nov. '87	3.6%	4.2%	2.4%
Change in Producer Prices*	Nov. '87	0.0	2.4†	0.0%
Persons Employed (Thousands of Persons)*	Nov. '87	112,500	113,181	110,432
Unemployment as a % of Civilian Labor Force*	Nov. '87	6.0%	6.0%	6.9%
Personal Income*	Nov. '87	$ 3,834	$ 3,851	$ 3,600
Leading Indicators Composite Index (1967=100)*	Nov. '87	192.6	192.7	181.2
Industrial Production Index (1977=100)*	Nov. '87	132.0	132.0	125.7
Gross Domestic Product (Billions of 1982 Dollars)*	3rd Q'87	$ 3,704	$ 6.42†	$ 6.59
U.S. Merchandise Trade Balance*	Oct. '87	$ 11.6	$ 14.08	$ 12.06
Personal Consumption Expenditures*	Nov. '87	$427.0	$417.2(R)†	$372.24
Private Housing Units (Thousands)*	Nov. '87	1,622	1,623†	1,637
New Building Permits Authorized*	Nov. '87	$ 404.8	$ 409.8	$ 394.8
Total Business Inventories*	Oct. '87	$ 681.8	$ 682.3	$ 655.6†
Total Business Sales*	Oct. '87	$ 462.2	$ 462.4†	$ 429.2†

*Seasonally adjusted annual rate. †Seasonally adjusted. (R) Revised. (P) Preliminary. (A) Anticipated.

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